

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 SS-15 NSC-05 L-02 SAJ-01

PA-01 USIA-06 PRS-01 /081 W

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R 221822Z APR 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 8720

INFO ALL EC CAPITALS 575

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E.O. 11652: N/A

TAGS: EFIN, PFOR, EEC

SUBJECT: EC FINANCE COUNCIL MEETING, APRIL 21, 1975: HIGHLIGHTS

REF: EC BRUSSELS 3527

1. BEGIN SUMMARY: IN ONE OF THE SHORTEST COUNCIL SESSIONS ON RECORD, LASTING ONLY 36 MINUTES, THE EC FINANCE MINISTERS DISCUSSED BUT DID NOT DECIDE ON COMMUNITY REPRESENTATION AT THE OECD MEETING ON SECTORAL

AGREEMENTS AND AT THE IMF INTERIM COMMITTEE MEETING IN JUNE; AND HAD AN INITIAL EXCHANGE ON POSSIBLE FOLLOW-UP TO THE PARIS/CONSUMER/ PRODUCER PREPARATORY CONFERENCE INsofar AS THEIR RESPONSIBILITIES ARE CONCERNED. AT THEIR PRIVATE LUNCHEON PRECEDING THE COUNCIL, THE MINISTERS CONSIDERED POSSIBLE SWISS ENTRY INTO THE MINI-SNAKE. (THE MINISTERS' DISCUSSIONS REGARDING THE PROPOSED MEETING BETWEEN IRISH FINANCE MINISTER RYAN, COMMISSION VICE PRESIDENT HAVERKAMP, AND TREASURY SECRETARY SIMON HAVE BEEN REPORTED REFTEL. THEIR DISCUSSIONS CONCERNING VENEZUELA'S DESIRE TO LOAN MONEY UNDER THE EUROPEAN COMMON BORROWING FACILITY ARE BEING REPORTED BY SEPTEL.) END SUMMARY.

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2. SWISS ENTRY INTO THE MINI-SNAKE: AT THEIR NOW STANDARD PRI-

VATE LUNCHEON PRECEDING THE COUNCIL SESSION, THE MINISTERS FOCUSED ON PROPOSED ENTRY BY SWITZERLAND INTO THE MINI-SNAKE. THE EC CENTRAL BANK GOVERNORS REPORTED THAT WHILE TECHNICAL DIFFICULTIES STILL REMAIN IT WAS THEIR OPINION THAT THESE COULD BE WORKED OUT AND THAT THEY FAVOR SWISS ENTRY. DURING THE MINISTERS' LUNCHEON THE FRENCH, BELGIANS AND OTHERS CONTINUED TO EXPRESS THEIR RESERVATIONS TOWARD POSSIBLE SWISS ENTRY.

3. BEARING IN MIND THAT NO "FORMAL" APPLICATION HAS AS YET BEEN MADE, THERE WAS ALSO CONSIDERABLE DISCUSSION AS TO WHETHER THE QUESTION OF SWISS ENTRY SHOULD BE DECIDED BY THE EC-NINE OR BY THE FIVE MEMBERS OF THE MINI-SNAKE. THE DUTCH PROPOSED THAT THE FIVE DECIDE AFTER CONSULTATION WITH EC PARTNERS NOT IN THE SNAKE. SPEAKING WITH REPORTERS FOLLOWING THE COUNCIL SESSION, GERMAN FINANCE MINISTER APEL INDICATED THIS PARTICULAR ASPECT HAD NOT BEEN RESOLVED. HE SAID IT WAS CLEAR, HOWEVER, THAT INTERESTS OF THOSE MEMBER STATES OUTSIDE THE MINI-SNAKE WOULD HAVE TO BE BORNE IN MIND.

4. OECD SECTORAL AGREEMENTS: ALL MEMBER STATES, WITH THE EXCEPTION OF FRANCE, AGREED TO ALLOW THE COMMISSION TO PRESENT THE COMMUNITY'S POSITION IN THE OECD WITH REGARD TO THE RULES FOR EXPORT CREDITS IN PARTICULAR INDUSTRIAL SECTORS. ACCORDING TO A DUTCH SOURCE, WHILE FRANCE WAS NOT PREPARED TO GO ALONG WITH THE OTHER MEMBER STATES AT THIS COUNCIL, THEIR OPPOSITION MAY BE LIFTED WHEN THE FINANCE COUNCIL NEXT MEETS ON MAY 20.

5. CONSUMER/PRODUCER PREPARATORY CONFERENCE: THE MINISTERS BRIEFLY DISCUSSED THE AFTERMATH OF THE CONSUMER/PRODUCER PREPARATORY CONFERENCE IN PARIS. THE COUNCIL PRESIDENT, IRISH FINANCE MINISTER RYAN, SUGGESTED THAT WORK CONTINUE TO FIND A COMMON COMMUNITY POSITION ON THE LDC DEMANDS REGARDING INDEXATION OF OIL AND RAW MATERIAL PRICES. THE DUTCH URGED THAT THE RAW MATERIALS ISSUE BE CONSIDERED BY THE MONETARY COMMITTEE AT ITS NEXT SESSION. THIS ENTIRE SUBJECT WAS REFERRED TO THE COMMITTEE OF PERMANENT REPRESENTATIVES (COREPER) FOR FURTHER STUDY.

6. EC BUDGET-REGIONAL FUND EXPENDITURES: THE MINISTERS AGREED, IN THE NAME OF THE COUNCIL, TO A COMPROMISE WORKED OUT BY COREPER

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REGARDING THE CLASSIFICATION, WITHIN THE EC BUDGET, OF EXPENDITURES FOR THE REGIONAL FUND. THIS COMPROMISE, WHICH WAS MADE POSSIBLE BY THE LIFTING OF UK OBJECTIONS, WOULD HAVE THESE EXPENDITURES CLASSIFIED AS "OBLIGATORY" FOR THE FIRST THREE YEARS OF THE FUND'S OPERATION. FROM 1978 ONWARD, HOWEVER, SUCH EXPENDITURES WOULD BE "NON-OBLIGATORY"; I.E. SUBJECT TO FULL PARLIAMENTARY REVIEW UNDER THE NEW EC BUDGET PROCEDURES. IRISH FOREIGN MINISTER FITZGERALD WAS TO DISCUSS THE COMPROMISE

WITH THE PRESIDENT OF THE EUROPEAN PARLIAMENT IN LUXEMBOURG ON  
APRIL 22.

7. PREPARATIONS FOR THE IMF INTERIM COMMITTEE MEETING, JUNE 11-13:  
THE MINISTERS GAVE INITIAL CONSIDERATION TO POSITIONS TO BE TAKEN  
BY THE COMMUNITY AT THE FORTHCOMING IMF INTERIM COMMITTEE MEETING.  
THESE ARE NOW BEING PREPARED BY THE MONETARY COMMITTEE AND WILL  
BE DISCUSSED IN MORE DETAIL AT THE NEXT FINANCE COUNCIL.

8. REFORM OF THE MONETARY SYSTEM: THE MINISTERS EXAMINED THE  
EFFORTS OF THE MONETARY COMMITTEE AND THE EC CENTRAL BANKERS  
REGARDING REGARDING REFORM OF THE INTERNATIONAL MONETARY SYSTEM.  
FURTHER DISCUSSIONS ARE TO BE HELD BY THE G-10 CENTRAL BANKERS  
IN BASLE.

9. ECONOMIC SITUATION IN THE COMMUNITY: THE MINISTERS HEARD A  
UK PRESENTATION ON HMG'S NEW BUDGET BUT THERE WAS NO DISCUSSION.  
THE POSSIBILITY OF HOLDING A COUNCIL SESSION TO REVIEW THE  
ECONOMIC SITUATION IN THE COMMUNITY WITH JOINT PARTICIPATION OF  
FINANCE, ECONOMIC AND SOCIAL AFFAIRS MINISTERS WAS ALSO DIS-  
CUSSED. THE GERMANS AND DUTCH OBJECTED STRENUOUSLY STATING THAT  
UNLESS THERE WERE CONCRETE TOPICS FOR DISCUSSION SUCH A MEETING  
WOULD SERVE NO USEFUL PURPOSE. COREPER IS TO CONSIDER FURTHER  
THE PROPOSED JOINT MEETING.

10. COMMENT: THE SHORTNESS OF THIS COUNCIL SESSION REFLECTS A  
GROWING TREND, WHICH IS MOST NOTABLE IN CONNECTION WITH FINANCE  
COUNCILS, BUT WHICH IS ALSO EMERGING AT FOREIGN AFFAIRS' COUNCILS,  
AWAY FROM TRANSACTING BUSINESS IN THE MORE OPEN COUNCIL FRAME-  
WORK TO HANDLING SUBSTANTIVE MATTERS AT PRIVATE LUNCHEONS  
OR IN RESTRICTED SESSION. IN THE CASE OF THE FINANCE MINISTERS,  
THE STRENGTH OF THIS HABIT OF PERSONAL CONSULTATION,  
WAS DEMONSTRATED BY THE FACT THAT THIS WORKING LUNCHEON WAS  
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HELD IN SPITE OF THE ABSENCE OF THE FRENCH, ITALIAN, AND UK  
MINISTERS. MANY OFFICIALS DISLIKE THIS TREND BECAUSE THEY ARE  
SHUT OUT; MINISTERS SOMETIMES DO NOT KNOW THEIR DOSSIERS; AND  
THERE IS RISK OF MISUNDERSTANDINGS. MYERSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCE, COMMITTEE MEETINGS, IMPORTERS, EXPORTERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975ECBRU03577  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750141-0697  
**From:** EC BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750425/aaaaaxpj.tel  
**Line Count:** 158  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 EC BRUSSELS 3527  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC FINANCE COUNCIL MEETING, APRIL 21, 1975: HIGHLIGHTS  
**TAGS:** EFIN, PFOR, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006